

**CITY OF FARGO EMPLOYEES PENSION PLAN**  
**INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2008**

	July-08				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Fiscal YTD	FY08	Ended	Ended
		Actual	Policy		Net ROR	(1) Net ROR	6/30/2008 Net ROR	6/30/2008 Net ROR
<b>LARGE CAP DOMESTIC EQUITY</b>								
<i>Structured Growth</i>								
LA Capital	1,262,802	4.3%	4.2%	-1.18%	-1.18%	N/A	N/A	N/A
<b>Total Structured Growth</b>	<b>1,262,802</b>	<b>4.3%</b>	<b>4.2%</b>	<b>-1.18%</b>	<b>-1.18%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000 Growth</i>				-1.90%	-1.90%	N/A	N/A	N/A
<i>Structured Value</i>						N/A	N/A	N/A
LSV	1,128,867	3.8%	4.2%	-0.19%	-0.19%	N/A	N/A	N/A
<i>Russell 1000 Value</i>				-0.36%	-0.36%	N/A	N/A	N/A
<i>Enhanced Russell 1000 Index</i>						N/A	N/A	N/A
LA Capital	1,025,454	3.5%	3.5%	-1.72%	-1.72%	N/A	N/A	N/A
<i>Russell 1000</i>				-1.16%	-1.16%	N/A	N/A	N/A
<i>Enhanced S&amp;P 500 Index</i>						N/A	N/A	N/A
Northern Trust	476,599	1.6%	1.8%	-0.49%	-0.49%	N/A	N/A	N/A
Westridge	1,063,771	3.6%	3.9%	-0.73%	-0.73%	N/A	N/A	N/A
Wells Capital	818,114	2.8%	3.0%	-3.81%	-3.81%	N/A	N/A	N/A
European Credit Management	504,300	1.7%	1.8%	-3.19%	-3.19%	N/A	N/A	N/A
Prudential	586,851	2.0%	1.9%	-1.17%	-1.17%	N/A	N/A	N/A
Franklin	499,775	1.7%	1.8%	-0.90%	-0.90%	N/A	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>3,949,411</b>	<b>13.5%</b>	<b>14.2%</b>	<b>-1.76%</b>	<b>-1.76%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				-0.84%	-0.84%	N/A	N/A	N/A
<i>Absolute Return Strategy</i>						N/A	N/A	N/A
Epoch	547,974	1.9%	1.8%	-2.04%	-2.04%	N/A	N/A	N/A
<i>S&amp;P 500</i>				-0.84%	-0.84%	N/A	N/A	N/A
<i>S&amp;P 500 Index</i>						N/A	N/A	N/A
State Street	592,664	2.0%	2.1%	-1.16%	-1.16%	N/A	N/A	N/A
<i>S&amp;P 500</i>				-0.84%	-0.84%	N/A	N/A	N/A
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>8,507,172</b>	<b>29.0%</b>	<b>30.0%</b>	<b>-1.44%</b>	<b>-1.44%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				-0.84%	-0.84%	N/A	N/A	N/A
<b>SMALL CAP DOMESTIC EQUITY</b>								
<i>Manager-of-Managers</i>						N/A	N/A	N/A
SEI	2,092,933	7.1%	7.2%	1.18%	1.18%	N/A	N/A	N/A
<i>Russell 2000 + 200bp</i>				3.87%	3.87%	N/A	N/A	N/A
Callan	883,359	3.0%	2.8%	0.49%	0.49%	N/A	N/A	N/A
<i>Russell 2000</i>				3.70%	3.70%	N/A	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>2,976,293</b>	<b>10.1%</b>	<b>10.0%</b>	<b>0.97%</b>	<b>0.97%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 2000</i>				3.70%	3.70%	N/A	N/A	N/A
<b>INTERNATIONAL EQUITY</b>								
<i>Large Cap - Core</i>						N/A	N/A	N/A
State Street	303,922	1.0%	1.0%	-3.73%	-3.73%	N/A	N/A	N/A
<i>MSCI EAFE</i>				-3.21%	-3.21%	N/A	N/A	N/A
<i>Large Cap - Active</i>						N/A	N/A	N/A
Capital Guardian	936,101	3.2%	3.0%	-3.93%	-3.93%	N/A	N/A	N/A
LSV	880,601	3.0%	3.0%	-2.78%	-2.78%	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>1,816,702</b>	<b>6.2%</b>	<b>7.0%</b>	<b>-3.38%</b>	<b>-3.38%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>MSCI EAFE - 50% Hedged</i>				-2.64%	-2.64%	N/A	N/A	N/A
<i>Small Cap - Active</i>						N/A	N/A	N/A
DFA	295,243	1.0%	1.0%	-0.44%	-0.44%	N/A	N/A	N/A
Wellington	301,236	1.0%	1.0%	-5.49%	-5.49%	N/A	N/A	N/A
<b>Total Small Cap - Active</b>	<b>596,479</b>	<b>2.0%</b>	<b>2.0%</b>	<b>-3.00%</b>	<b>-3.00%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P/Citigroup BMI EPAC &lt; \$2BN</i>				-4.30%	-4.30%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>2,717,104</b>	<b>9.3%</b>	<b>10.0%</b>	<b>-3.33%</b>	<b>-3.33%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>MSCI EAFE - 50% Hedged</i>				-2.64%	-2.64%	N/A	N/A	N/A
<b>EMERGING MARKETS EQUITY</b>								
<i>Core</i>						N/A	N/A	N/A
JP Morgan	229,914	0.8%	0.9%	-3.11%	-3.11%	N/A	N/A	N/A
PanAgora	234,624	0.8%	0.9%	-3.88%	-3.88%	N/A	N/A	N/A
WestLB	241,505	0.8%	0.9%	-4.13%	-4.13%	N/A	N/A	N/A
UBS	316,003	1.1%	1.5%	-4.18%	-4.18%	N/A	N/A	N/A
<b>Total Core</b>	<b>1,022,045</b>	<b>3.5%</b>	<b>4.1%</b>	<b>-3.87%</b>	<b>-3.87%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%	N/A	N/A	N/A
<i>Small Cap</i>						N/A	N/A	N/A
DFA	240,476	0.8%	1.0%	-1.57%	-1.57%	N/A	N/A	N/A
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%	N/A	N/A	N/A
<i>Private Equity</i>						N/A	N/A	N/A
Capital International	87,448	0.3%	0.3%	0.00%	0.00%	N/A	N/A	N/A
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%	N/A	N/A	N/A
<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>1,349,969</b>	<b>4.6%</b>	<b>5.0%</b>	<b>-3.25%</b>	<b>-3.25%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%	N/A	N/A	N/A

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	Market Value	Allocation Actual	Policy	Month Net ROR	Fiscal YTD Net ROR	FY08 (1) Net ROR	Ended 6/30/2008 Net ROR	Ended 6/30/2008 Net ROR
<b>DOMESTIC FIXED INCOME</b>								
<b>Core Bond</b>						N/A	N/A	N/A
<b>Western Asset</b>	541,135	1.8%	2.0%	-2.53%	-2.53%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				-0.08%	-0.08%	N/A	N/A	N/A
<b>Index</b>								
Bank of ND	858,239	2.9%	3.2%	0.04%	0.04%	N/A	N/A	N/A
<b>Total Index</b>	858,239	2.9%	3.2%	0.04%	0.04%	N/A	N/A	N/A
<i>Lehman Gov/Credit</i>				0.00%	0.00%	N/A	N/A	N/A
<b>Enhanced</b>								
<b>Westridge</b>	511,900	1.7%	1.6%	0.92%	0.92%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				-0.08%	-0.08%			
<b>Convertibles</b>						N/A	N/A	N/A
Calamos	572,664	2.0%	2.0%	-1.31%	-1.31%	N/A	N/A	N/A
<b>Total Convertibles</b>	572,664	2.0%	2.0%	-1.31%	-1.31%	N/A	N/A	N/A
<i>Merrill Lynch All Convertibles</i>				-3.13%	-3.13%	N/A	N/A	N/A
<b>BBB Average Quality</b>						N/A	N/A	N/A
<b>Wells Capital</b>	700,546	2.4%	2.0%	-0.60%	-0.60%	N/A	N/A	N/A
<i>Lehman BBB</i>				-0.67%	-0.67%	N/A	N/A	N/A
<b>Senior Debt</b>						N/A	N/A	N/A
<b>PIMCO</b>	95,016	0.3%	2.0%	N/A	N/A	N/A	N/A	N/A
<i>Lehman Aggregate</i>				-0.08%	-0.08%	N/A	N/A	N/A
<b>Private Debt</b>						N/A	N/A	N/A
<b>Prudential</b>	560,506	1.9%	2.0%	0.27%	0.27%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				-0.08%	-0.08%	N/A	N/A	N/A
<b>Timberland</b>						N/A	N/A	N/A
TIR - Teredo	698,990	2.4%	2.4%	-0.05%	-0.05%	N/A	N/A	N/A
TIR - Springbank	1,537,996	5.2%	5.2%	-0.14%	-0.14%	N/A	N/A	N/A
<b>Total Timberland</b>	2,236,985	7.6%	7.6%	-0.11%	-0.11%	N/A	N/A	N/A
<i>NCREIF Timberland Index</i>				0.34%	0.34%	N/A	N/A	N/A
<b>Infrastructure</b>						N/A	N/A	N/A
<b>JP Morgan</b>	1,082,006	3.7%	3.7%	-0.13%	-0.13%	N/A	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	7,158,998	24.4%	24.0%	-0.32%	-0.32%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				-0.08%	-0.08%	N/A	N/A	N/A
<b>HIGH YIELD BONDS</b>								
<b>Core</b>								
Loomis Sayles	673,688	2.3%	2.0%	-1.44%	-1.44%	N/A	N/A	N/A
Sutter/Wells Capital	594,430	2.0%	2.0%	-1.35%	-1.35%	N/A	N/A	N/A
<b>Total Core</b>	1,268,119	4.3%	4.0%	-1.40%	-1.40%	N/A	N/A	N/A
<i>LB High Yield 2% Issuer Contstrained Index</i>				-1.25%	-1.25%	N/A	N/A	N/A
<b>Mezzanine Debt</b>								
Goldman Sachs 2006 Fund	38,547	0.1%	0.1%	0.00%	0.00%	N/A	N/A	N/A
Goldman Sachs Fund V	52,030	0.2%	0.2%	0.00%	0.00%	N/A	N/A	N/A
TCW	92,076	0.3%	0.3%	0.00%	0.00%	N/A	N/A	N/A
<b>Total Mezzanine Debt</b>	182,652	0.6%	0.6%	0.00%	0.00%	N/A	N/A	N/A
<i>LB High Yield 2% Issuer Contstrained Index</i>				-1.25%	-1.25%	N/A	N/A	N/A
<b>Distressed Mortgages</b>								
PIMCO	90,710	0.3%	0.3%	0.00%	0.00%	N/A	N/A	N/A
Declaration Management	23,069	0.1%	0.1%	0.96%	0.96%	N/A	N/A	N/A
<b>Total Distressed Mortgages</b>	113,779	0.4%	0.4%	0.22%	0.22%	N/A	N/A	N/A
<i>LB High Yield 2% Issuer Contstrained Index</i>				-1.25%	-1.25%			
<b>TOTAL HIGH YIELD BONDS</b>	1,564,550	5.3%	5.0%	-1.15%	-1.15%	N/A	N/A	N/A
<i>LB High Yield 2% Issuer Contstrained Index</i>				-1.25%	-1.25%	N/A	N/A	N/A
<b>INTERNATIONAL FIXED INCOME</b>								
<b>International Sovereign</b>								
<b>UBS Global (Brinson)</b>	739,961	2.5%	2.5%	0.37%	0.37%	N/A	N/A	N/A
<i>Citigroup Non-US Gov't Bond Index</i>				0.16%	0.16%	N/A	N/A	N/A
<b>International Core</b>								
<b>Brandywine</b>	786,538	2.7%	2.5%	0.85%	0.85%	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				0.27%	0.27%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	1,526,500	5.2%	5.0%	0.62%	0.62%	N/A	N/A	N/A
<i>Citigroup Non-US Gov't Bond Index</i>				0.16%	0.16%	N/A	N/A	N/A
<b>REAL ESTATE</b>								
INVESCO - Core	692,170			-0.03%	-0.03%	N/A	N/A	N/A
INVESCO - Fund II	15,094			0.00%	0.00%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	653,236			-0.22%	-0.22%	N/A	N/A	N/A
J.P. Morgan Alternative Property Fund	175,671			-0.20%	-0.20%	N/A	N/A	N/A
J.P. Morgan Greater China Property Fund	16,808			0.00%	0.00%	N/A	N/A	N/A
<b>TOTAL REAL ESTATE</b>	1,552,979	5.3%	5.0%	-0.13%	-0.13%	N/A	N/A	N/A
<i>NCREIF TOTAL INDEX</i>				0.19%	0.19%	N/A	N/A	N/A

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	Market Value	Actual	Policy	Net ROR	Net ROR	(1) Net ROR	6/30/2008 Net ROR	6/30/2008 Net ROR
<b>ALTERNATIVE INVESTMENTS</b>								
Coral Partners V	71,069			0.00%	0.00%	N/A	N/A	N/A
Coral Partners V - Supplemental	8,300			0.00%	0.00%	N/A	N/A	N/A
Coral Momentum Fund (Formerly Fund VI)	119,110			0.00%	0.00%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	8,434			0.00%	0.00%	N/A	N/A	N/A
Brinson 1999 Partnership Fund	25,466			0.00%	0.00%	N/A	N/A	N/A
Brinson 2000 Partnership Fund	85,446			0.00%	0.00%	N/A	N/A	N/A
Brinson 2001 Partnership Fund	71,895			0.00%	0.00%	N/A	N/A	N/A
Brinson 2002 Partnership Fund	39,097			0.00%	0.00%	N/A	N/A	N/A
Brinson 2003 Partnership Fund	13,391			0.00%	0.00%	N/A	N/A	N/A
Total Brinson Partnership Funds	243,729			0.00%	0.00%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	12,087			0.00%	0.00%	N/A	N/A	N/A
Brinson 2000 Non-US Partnership Fund	29,306			0.00%	0.00%	N/A	N/A	N/A
Brinson 2001 Non-US Partnership Fund	19,801			0.00%	0.00%	N/A	N/A	N/A
Brinson 2002 Non-US Partnership Fund	50,202			0.00%	0.00%	N/A	N/A	N/A
Brinson 2003 Non-US Partnership Fund	42,965			0.00%	0.00%	N/A	N/A	N/A
Brinson 2004 Non-US Partnership Fund	20,629			0.00%	0.00%	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	174,989			0.00%	0.00%	N/A	N/A	N/A
Adams Street 2008 Non-US Partnership Fd	3,232			0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	119,537			0.00%	0.00%	N/A	N/A	N/A
Adams Street Direct Co-investment Fund	131,394			0.00%	0.00%	N/A	N/A	N/A
Matlin Patterson Global Opportunities	65,023			0.00%	0.00%	N/A	N/A	N/A
Matlin Patterson Global Opportunities II	275,944			0.00%	0.00%	N/A	N/A	N/A
Matlin Patterson Global Opportunities III	136,657			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	65,556			0.00%	0.00%	N/A	N/A	N/A
Hearthstone MSII	708			0.00%	0.00%	N/A	N/A	N/A
Hearthstone MSIII	12,326			0.00%	0.00%	N/A	N/A	N/A
Corsair III	115,723			0.00%	0.00%	N/A	N/A	N/A
Corsair III - ND Investors LLC	82,986			0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	24,817			0.00%	0.00%	N/A	N/A	N/A
Quantum Energy Partners	20,856			0.00%	0.00%	N/A	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (2)</b>	<b>1,671,957</b>	<b>5.7%</b>	<b>5.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>CASH EQUIVALENTS</b>								
<b>Northern Trust STIF/STEP</b>	<b>319,961</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.19%</b>	<b>0.19%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
90 Day T-Bill				0.18%	0.18%	N/A	N/A	N/A
<b>TOTAL FUND</b>	<b>29,345,481</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.91%</b>	<b>-0.91%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>POLICY TARGET BENCHMARK</b>				<b>-0.39%</b>	<b>-0.39%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) Initial funding with State Investment Board on December 28, 2007.

(2) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual c